

1 BILL NO. R-83-09-30

RESOLUTION NO. R-71-82

2 A RESOLUTION FINDING, DETERMINING  
3 AND RATIFYING AN INDUCEMENT RESOLUTION  
4 OF THE FORT WAYNE ECONOMIC DEVELOPMENT COMMISSION  
5 AUTHORIZING THE ISSUANCE AND SALE OF  
6 \$640,000.00 ECONOMIC REVENUE BONDS OF THE  
7 CITY OF FORT WAYNE, INDIANA,  
8 FOR THE PURPOSE OF INDUCING THE APPLICANT,  
9 BHAR, INCORPORATED  
10 TO PROCEED WITH THE ACQUISITION  
11 CONSTRUCTION AND EQUIPPING OF THE PROJECT.

12 WHEREAS, the City of Fort Wayne, Indiana, (the "Issuer") is  
13 authorized by I.C. Sec. 36-7-12 (the "Act") to issue revenue  
14 bonds for the financing of economic development facilities, the  
15 funds from said financing to be used for the acquisition,  
16 construction and equipping of said facilities, and said facili-  
17 ties to be either sold or leased to another person or directly  
18 owned by another person; and

19 WHEREAS, Bhar, Incorporated (the "Applicant") has advised  
20 the Fort Wayne Economic Development Commission and the Issuer  
21 that it proposes that the Issuer acquire and equip an economic  
22 development facility and sell and/or lease the same to the  
23 Applicant or loan proceeds of an economic development financing  
24 to the Applicant for the same, said economic development faci-  
25 lity to be purchase of existing building, erection of a new  
26 building next to existing building and purchase of equipment, to  
27 be located at 3624 Illinois Road, Fort Wayne, Indiana, including  
28 the costs of issuance (the "Project"); and

29 WHEREAS, the diversification of industry and an increase in  
30 19 jobs within one year and 25 jobs within three years to be  
31 achieved by acquisition and construction and equipping of the  
32 Project will be of public benefit to the health, safety and  
general welfare of the Issuer and its citizens; and

WHEREAS, having received the advice of the Fort Wayne  
Economic Development Commission, it would appear that the  
financing of the Project would be of public benefit to the



1 health, safety and general welfare of the Issuer and its  
2 citizens; and

3 WHEREAS, the acquisition and construction of the faci-  
4 lity will not have an adverse effect on any similar facility  
5 already constructed or operating in or about Fort Wayne,  
6 Indiana.

7 NOW THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF  
8 THE CITY OF FORT WAYNE, INDIANA:

9 SECTION 1. The Common Council finds, determines, rati-  
10 fies and confirms the promotion of diversification of economic  
11 development and job opportunities in and near Fort Wayne,  
12 Indiana and in Allen County, is desirable to preserve the  
13 health, safety and general welfare of the citizens of the  
14 Issuer; and that it is in the public interest that Fort Wayne  
15 Economic Development Commission and said Issuer take such action  
16 as it lawfully may to encourage diversification of industry and  
17 promotion of job opportunities in and near said Issuer.

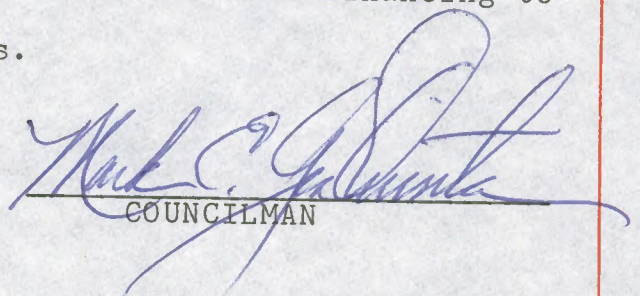
18 SECTION 2. The Economic Development Commission in  
19 recommending the project, found specifically that the project  
20 will not have an adverse competitive effect on similar facilities  
21 already constructed or operating in Allen County, Indiana, and  
22 the Common Council has also held a hearing and specifically finds  
23 that the project will not have an adverse competitive effect on  
24 similar facilities already constructed or operating in Allen  
25 County, Indiana.

26 SECTION 3. The Common Council further finds, deter-  
27 mines, ratifies and confirms that the issuance and sale of reve-  
28 nue bonds in an amount not to exceed \$640,000.00 of the Issuer  
29 under the Act for the acquisition, construction and equipping of  
30 the Project and the sale or leasing of such a financing to the  
31 Applicant for such purposes will serve the public purpose  
32 referred to above, in accordance with the Act.




1           SECTION 4. In order to induce the Applicant to proceed  
2 with the acquisition, construction and equipping of the Project,  
3 the Common Council hereby finds, determines, ratifies and con-  
4 firms that (i) it will take or cause to be taken such actions  
5 pursuant to the Act as may be required to implement the afore-  
6 said financing, or as it may deem appropriate in pursuance  
7 thereof, provided that all of the foregoing shall be mutually  
8 acceptable to the Issuer and the Applicant; and (ii) it will  
9 adopt such ordinances and resolutions and authorize the execu-  
10 tion and delivery of such instruments and the taking of such  
11 action as may be necessary and advisable for the authorization,  
12 issuance and sale of said economic development bonds.

13           SECTION 5. All costs of the Project incurred after the  
14 passage of this Inducement Resolution, including disbursement or  
15 repayment of the Applicant of monies expended by the Applicant  
16 for planning, engineering, interest paid during construction,  
17 underwriting expenses, attorney and bond counsel fees, acquisi-  
18 tion, construction and equipping of the Project will be per-  
19 mitted to be included as part of the bond issue to finance said  
20 Project, and the Issuer will thereafter either sell or lease the  
21 same to the Applicant or loan the proceeds of such financing to  
22 the Applicant for the same purposes.

23  
24   
COUNCILMAN

25 APPROVED AS TO FORM AND  
26 LEGALITY.

27   
28 John J. Wernet, Attorney for the  
29 Economic Development Commission  
Dated this 12th day of Sept, 1983



Read the first time in full and on motion by GiaQuinta, seconded by Stier, and duly adopted, read the second time by title and referred to the Committee Finance (and the City Plan Commission for recommendation) and Public Hearing to be held after due legal notice, at the Council Chambers, City-County Building, Fort Wayne, Indiana, on \_\_\_\_\_, the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M., E.S.T.

DATE: 9-13-83

Sandra E. Kennedy  
CITY CLERK

Read the third time in full and on motion by GiaQuinta, seconded by Stier, and duly adopted, placed on its passage. PASSED (LOST) by the following vote:

	<u>AYES</u>	<u>NAYS</u>	<u>ABSTAINED</u>	<u>ABSENT</u>	<u>TO-WIT:</u>
<u>TOTAL VOTES</u>	<u>9</u>	_____	_____	_____	_____
<u>BRADBURY</u>	<u>✓</u>	_____	_____	_____	_____
<u>BURNS</u>	<u>✓</u>	_____	_____	_____	_____
<u>EISBART</u>	<u>✓</u>	_____	_____	_____	_____
<u>GiaQUINTA</u>	<u>✓</u>	_____	_____	_____	_____
<u>SCHMIDT</u>	<u>✓</u>	_____	_____	_____	_____
<u>SCHOMBURG</u>	<u>✓</u>	_____	_____	_____	_____
<u>SCRUGGS</u>	<u>✓</u>	_____	_____	_____	_____
<u>STIER</u>	<u>✓</u>	_____	_____	_____	_____
<u>TALARICO</u>	<u>✓</u>	_____	_____	_____	_____

DATE: 9-27-83

Sandra E. Kennedy  
CITY CLERK

Passed and adopted by the Common Council of the City of Fort Wayne, Indiana, as (ZONING MAP) (GENERAL) (ANNEXATION) (SPECIAL)

(APPROPRIATION) ORDINANCE (RESOLUTION) NO. B-71-83  
on the 27th day of September, 1983.

ATTEST:

(SEAL)

Sandra E. Kennedy

CITY CLERK

Ray A. E. Cook

PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on the 28th day of Sept., 1983, at the hour of 11:30 o'clock A. M., E.S.T.

Sandra E. Kennedy  
CITY CLERK

Approved and signed by me this 30th day of September, 1983, at the hour of 12 o'clock P. M., E.S.T.

Win Moses, Jr.  
WIN MOSES, JR. - MAYOR



BILL NO. R-83-09-30

REPORT OF THE COMMITTEE ON FINANCE

WE, YOUR COMMITTEE ON FINANCE TO WHOM WAS REFERRED AN  
~~ORDINANCE~~ AUTHORIZING THE ISSUANCE AND SALE OF \$640,000.00 ECONOMIC  
REVENUE BONDS OF THE CITY OF FORT WAYNE, INDIANA, FOR THE PURPOSE  
OF INDUCING THE APPLICANT, BHAR, INCORPORATED

HAVE HAD SAID ORDINANCE UNDER CONSIDERATION AND BEG LEAVE TO REPORT  
BACK TO THE COMMON COUNCIL THAT SAID ORDINANCE DO PASS.

MARK E. GIAQUINTA, CHAIRMAN

*Mark E. Giaquinta*

JAMES S. STIER, VICE CHAIRMAN

*James S. Stier*

JANET G. BRADBURY

*Janet G. Bradbury*

SAMUEL J. TALARICO

*Samuel J. Talarico*

DONALD J. SCHMIDT

*Donald J. Schmidt*

*Cancelled 9-27-83*

*Sandra E. Kennedy*



APPLICATION TO  
FORT WAYNE ECONOMIC DEVELOPMENT COMMISSION  
FOR "LOANS THROUGH LENDERS" PROGRAM  
FORT WAYNE, INDIANA

I. GENERAL INFORMATION

- A. Name of Applicant: Bhar, Incorporated
- B. Applicant's Principal Address: P.O. Box 11564  
Ft. Wayne, Indiana 46859 Telephone: (219 ) 436-1020
- C. Applicant's legal organization (e.g. corporation, partnership, sole proprietorship, joint venture, etc.):  
Corporation
- D. Under laws of what state is the applicant organized?:  
Indiana
- E. Business in which applicant is engaged: Plastic Products
- (1) S.I.C. Code: 3079
- F. How long has applicant been in operation in Allen County?:  
Seven Years

II. MANAGEMENT

A. Principal Operating Personnel:

<u>Name</u>	<u>Title</u>
<u>N. Norm Bhargava</u>	<u>President</u>
<u>Mrs. Urmila Bhargava</u>	<u>Vice-President</u>
<u>Mrs. Barbara Hines</u>	<u>Asst. Vice-President</u>



- B. All persons or firms having an ownership interest of 10% or more in the applicant organization.

<u>Name</u>	<u>% Ownership</u>
<u>Norm &amp; Urmila Bhargava</u>	<u>66%</u>
<u>Jt-Ten</u>	<u></u>

- C. Persons who have either a legal interest in the applicant or a debt obligation from/to the applicant, and are a member of either the Fort Wayne Economic Development Commission, Common Council of Fort Wayne, or Allen County Council:

None

- D. Has any person listed above been convicted of a felony, or convicted of, or enjoined from any violation of a state or federal securities law within the past ten years:

Yes        No   X  

### III. PROPOSED PROJECT

- A. Briefly describe the proposed project (attach renderings if available):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- B. Proposed amount of bond issue: \$640,000

- C. How are the proceeds of the issue to be used (Itemize by category of expenditure):

\$280,000 for the purchase of existing building at 3624 Illinois Rd.

\$240,000 for the erection of a new building right next to the above  
building, and \$120,000 for the purchase of equipment.

- D. Additional finance sources to be used if bond issue is not sufficient to complete proposed project:

Company's own funds



E. Where is the proposed project to be located (Give both street address and legal description): \_\_\_\_\_

3624 Illinois Road, Fort Wayne situated in Allen County.

(1) Is project solely within the city limits of Fort Wayne: Yes: X No: \_\_\_\_\_

(2) If no, will you waive your right to remonstrate annexation: Yes: \_\_\_\_\_ No: \_\_\_\_\_ Not Applicable

(3) Is project solely within the Fort Wayne Community School District: Yes: X No: \_\_\_\_\_

(4) If no, name of school district in which project is located. N.A.

F. Approximate size of tract or parcel on which project will be situated: \_\_\_\_\_

1.992 acres

G. Will any portion of proposed project be leased from another entity: Yes: \_\_\_\_\_ No: X

(1) If yes, name entity and describe portion to be leased: N.A.

H. What is existing zoning classification on parcel: \_\_\_\_\_

Light Industrial M-1

I. What zoning classification does project require: \_\_\_\_\_

Light Industrial M-1

J. Are water and sewer available for access:

Yes: X No: \_\_\_\_\_

(1) If no, how will access to these utilities be obtained: \_\_\_\_\_

Already there



K. Are septic tanks or other temporary sewage treatment and disposal facilities to be used in lieu of sewer:

Yes: \_\_\_\_\_ No: X

(1) If yes, describe facility: \_\_\_\_\_

N.A.

L. Briefly describe any adverse environmental impact upon land, air, water or noise which is anticipated as a result of the proposed project: \_\_\_\_\_

None

#### IV. JOBS AND PAYROLLS -

A. Number of Employees:

(1) At time of application: 25

Full Time: 23 Part Time: 2

(2) Within year of project completion: 44

Full Time: 44 Part Time: 0

(3) Within 3 years of project completion: 50

Full Time: 50 Part Time: 0

B. Briefly describe the category and nature of the new jobs to be created: \_\_\_\_\_

Machine operators, Quality Control assistants and one office assistant.



C. Annual Payroll:

(1) At time of application: \$347,000

(2) Within year of project completion: \$610,000

(3) Within 3 years of project completion: \$694,000

D. If project is not funded by the "Loan Through Lenders" program, is there a substantial possibility of loss of existing jobs in Allen County: Yes: \_\_\_\_\_ No: x

(1) If yes, give number of jobs to be lost and approximate annual payroll loss:

None

V. MISCELLANEOUS INFORMATION -

A. Applicant's net worth as of the end of the calendar quarter preceding the date of application:

\$148,000 (as of July 31, 1983)

B. Has the proposed project been informally reviewed by bond counsel: Yes: \_\_\_\_\_ No: x

(1) If yes, what is name of bond counsel firm:

N.A. Will be assigned to pool F.B.

C. Name, address and telephone of contact person for further details on project: \_\_\_\_\_

Norm Bhargava

3624 Illinois Rd.

Fort Wayne, Indiana 46804

Phone (219) 447-4128



## VI. APPLICANT'S CERTIFICATION

I/We certify that all information in this application and attached exhibits are true and complete to the best of my/our knowledge and belief. Verification may be obtained from any source named herein.

Narottam Bhargava  
(Signature)

September 2, 1983

(Date)

\_\_\_\_\_  
(Signature)

## VII. EXHIBITS

- A. Applicant's Financial Statements (for past 3 years).
- B. Applicant's Two Year Income Projection.
- C. Breakdown of project costs with written estimates from contractors and suppliers.
- D. Proof of applicant's equity contribution (if any).
- E. Schedule of Applicant's existing debt and encumbered assets.
- F. Personal financial statements for each owner (if applicable).
- G. Letter of commitment from local lender for a letter of credit.

Return to:

E.D.C. Coordinator  
Department of Economic Development  
City County Building, Room 840  
One Main Street  
Fort Wayne, IN 46802

(213) 427-127



## BALANCE SHEET as of MARCH 31, 1983 and 1982

ASSETS		
	<u>1983</u>	<u>1982</u>
Current assets:		
Cash in bank	\$ 3,991	\$ 2,145
Accounts receivable, trade	246,368	162,625
Inventories	121,466	91,199
Prepaid expenses	<u>19,737</u>	<u>19,468</u>
Total current assets	391,562	275,437
Property and equipment, at cost:		
Machinery and equipment	370,810	343,635
Furniture and fixtures	14,363	9,864
Leasehold improvements	46,224	46,224
Automobile	<u>7,901</u>	<u>7,901</u>
	439,298	407,624
Less accumulated depreciation and amortization	<u>178,338</u>	<u>140,094</u>
	260,960	267,530
Deferred costs	<u>11,966</u>	<u>25,051</u>
Total assets	<u>\$664,488</u>	<u>\$568,018</u>

LIABILITIES		
Current liabilities:		
Notes payable, bank	\$ 82,000	\$180,000
Current portion of term debt	37,698	24,743
Notes payable, stockholders	30,000	94,600
Accounts payable	141,245	81,892
Accrued expenses	<u>38,796</u>	<u>13,054</u>
Total current liabilities	329,739	394,289
Term debt, less current portion	97,352	64,661
Notes payable, stockholders	<u>167,300</u>	<u>79,200</u>
	594,391	538,150

STOCKHOLDERS' EQUITY		
Common stock, \$10 par value; 8,000 shares authorized, 5,990 shares issued and outstanding	59,900	59,900
Additional paid-in capital	5,280	5,280
Retained earnings (deficit)	<u>4,917</u>	<u>(35,312)</u>
Total stockholders' equity	<u>70,097</u>	<u>29,868</u>
Total liabilities and stockholders' equity	<u>\$664,488</u>	<u>\$568,018</u>

The accompanying notes are an integral part of the financial statements



For the years ended March 31, 1983 and 1982

EXHIBIT A (iii) Bhar Incorporated Financial Statement year  
ending March 31, 1983

	<u>1983</u>	<u>1982</u>
Revenues	\$1,671,815	\$1,156,099
Cost of sales	<u>1,410,385</u>	<u>962,517</u>
Gross profit	<u>261,430</u>	<u>193,582</u>
Selling expenses	28,135	19,320
General and administrative expenses	<u>131,612</u>	<u>86,794</u>
Total selling, general and administrative expenses	<u>159,747</u>	<u>106,114</u>
	<u>101,683</u>	<u>87,468</u>
Gain on sale of equipment		3,134
Interest expense	<u>61,454</u>	<u>77,804</u>
	<u>61,454</u>	<u>74,670</u>
Income before provision for federal income taxes and extraordinary item	40,229	12,798
Provision for federal income taxes	<u>4,000</u>	<u>700</u>
Income before extraordinary item	<u>36,229</u>	<u>12,098</u>
Extraordinary item - tax benefit from utilization of net operating losses	<u>4,000</u>	<u>700</u>
Net income	40,229	12,798
Retained earnings (deficit), beginning of year	<u>(35,312)</u>	<u>(48,110)</u>
Retained earnings (deficit), end of year	\$ <u>4,917</u>	\$ <u>(35,312)</u>

The accompanying notes are an integral part of the financial statements.



EXHIBIT C, BHAR, INCORPORATED BREAKDOWN OF PROJECT COST.

1. Land & Building at 3624 Illinois Rd.	\$280,000
2. 16,000 Sq. Ft. addition @ \$15/Sq. Ft.	\$240,000

ALTERNATIVELY

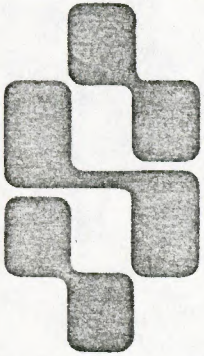
3. New land 2-3 acres	\$60,000
4. New Building 29,750 Sq. Ft.	\$431,000
Miscellaneous improvements	\$28,000
	<u>\$520,000</u>
5. Three injection molding machines @ \$40,000	<u>\$120,000</u>

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- 1) Copy of lease agreement of Bhar, Inc. with Mr. Glen Clemens clause 32, Pg. 17.
- 2) Written quote by Hoosier Construction Co.
- 3) Based on going prices.
- 4) Written quote by Hoosier Construction Co.
- 5) Copy of Whittaker Gen. Medical letter page 1 clause 1 indicating the most recent purchase price of \$41,000 for similar machine.



EXHIBIT G . BHAR, INCORPORATED. LETTER OF COMMITMENT  
FROM PEOPLES TRUST BANK FOR A LETTER OF CREDIT



Mr. Norm Bhargava  
President  
Bhar, Incorporated  
P.O. Box 11564  
Fort Wayne, Indiana 46859

September 9, 1983

Dear Norm:

Peoples Trust Bank is pleased to have the opportunity to support your recent expansion program via the "loans through lenders" product. The Banks commitment is as follows:

AMOUNT: Six Hundred Forty Thousand and no/100 Dollars (\$640,000.00) for a Letter of Credit.

PURPOSE: To acquire real estate and equipment and to finance the expansion of said real estate.

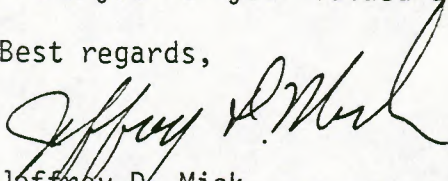
FEE: One and one-half percent ( $1\frac{1}{2}\%$ ) per annum payable annually in advance on the amount then outstanding.

COLLATERAL: Purchase money interests in real estate and equipment and personal guarantee of Mr. and Mrs. Bhargava.

CONTINGENCIES: This commitment is subject to a real estate appraisal in an amount satisfactory to the Bank.

Thank you for your valued consideration.

Best regards,

  
Jeffrey D. Mick  
Senior Vice President

JEF:1kp